VZCZCXYZ0011 OO RUEHWEB

DE RUEHTV #3629/01 3621112 ZNY SSSSS ZZH O 281112Z DEC 07 FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC IMMEDIATE 4766 INFO RUEHAM/AMEMBASSY AMMAN IMMEDIATE 3371 RUEHEG/AMEMBASSY CAIRO IMMEDIATE 1348 RUEHJM/AMCONSUL JERUSALEM IMMEDIATE 8716 RUEAIIA/CIA WASHDC IMMEDIATE RHEHNSC/NSC WASHDC IMMEDIATE

S E C R E T TEL AVIV 003629

SIPDIS

SIPDIS

E.O. 12958: DECL: 12/27/2017

TAGS: <u>PREL PGOV KWBG PINR IS EG</u> SUBJECT: AMBASSADOR JONES' DECEMBER 24 MEETING WITH ISA

CHIEF DISKIN

REF: TEL AVIV 3258

Classified By: Ambassador Jones for reasons 1.4(b)/(d).

11. (S) Summary: In a December 24 meeting with the Ambassador, Yuval Diskin, director of the Israel Security Agency (ISA, Shin Bet or Shabak), promised to share information with the U.S. on smuggling and tunnel networks between Egypt and the Gaza Strip. According to Diskin, the infestation of tunnels and smugglers along the Philadelphi Route is not due to a lack of intelligence on the region; instead, he blamed Egypt,s refusal to act on the information in its possession as the primary reason for the crisis. Only by eliminating the larger channels and networks will the flow of people and goods from Egypt to Gaza cease, he told the Ambassador. Diskin lamented the GOE,s refusal to take proactive measures even when provided with raw intelligence data by Israel, citing the case of an Al Qaeda operative recently arrested in Egypt. He updated the Ambassador on the situation in Gaza, noting that Fatah "does not have the energy" to carry out attacks against Hamas in the Strip. Diskin reviewed the Palestinian Authority,s (PA) efforts to take over security in the West Bank town of Nablus, emphasizing the need for a systemic organizational change within the PA to effectively combat terror. End Summary.

Diskin reiterates promise to share information with USG

(S) On November 24, 2007, the Ambassador met with Yuval Diskin, Director of the Israel Security Agency (ISA, Shin Bet or Shabak) in Diskin,s Tel Aviv office. As promised in his November 6, 2007 meeting with DAS Danin and DASD Kimmitt (ref), Diskin agreed to provide the U.S. with raw information on smuggling across the Philadelphi Route separating Egypt from the Gaza Strip. Diskin noted that the information passed to the USG $\overline{\text{will}}$ be identical to that which Israel supplies to the Government of Egypt (GOE). The Ambassador assured Diskin that any such information would be handled appropriately within established channels.

Egypt not focused on putting a stop to Gaza smuggling

(S) Diskin told the Ambassador that the increase in smuggling is not due to lack of intelligence, but rather rests with the GOE,s refusal to act on the information in its possession, pointing out that Egypt,s interests differ from Israel,s. He claimed that while Egypt has knowledge of the smuggling networks and those responsible for establishing and maintaining them, the GOE chooses not to shut them down.

It is not sufficient to close down a few tunnel openings, he said. Instead, he prefers to measure performance on Egypt,s treatment of the "whole phenomenon" of smuggling, namely how it acts vis--vis the channels and networks, not the GOE,s reaction to specific, discreet pieces of intelligence.

According to Diskin, Egypt is reluctant to take a firm stand against Hamas publicly due to the strength and popularity of the Muslim Brotherhood, and thus Egypt is not inclined to act against these smuggling networks which are supported by Hamas. Despite Egypt,s inability to distance itself from Hamas, however, the GOE can not openly admit that it knowingly allows arms to be smuggled into Gaza. Only when Egypt realizes that the smuggling of weapons through Sinai is harmful to its own interests will it take the necessary actions to put a stop to it, said Diskin. In his view, it is impossible to differentiate between smugglers bringing goods into Gaza and those transporting weapons; the networks and actors are identical.

14. (S) Diskin highlighted economic reasons as the primary impetus for the increase in cross-border smuggling. So long as there is a market for the goods in Gaza and the business of smuggling remains profitable, it will continue. He explained how the demand for weapons differs depending on type: while explosives and missiles are highly sought-after, there is a surplus of rifles following Hamas, takeover, and thus demand for guns is now weak. Additionally, he noted that Gazans are interested in "quality" goods and typically ask to see a sample before purchasing in bulk. Specifically, there has been an increase in demand for engines and machines to be used in manufacturing. Responding to the Ambassador,s question, Diskin called PA Prime Minister Salaam Fayyad,s plan to have the PA,s Presidential Guard operate the crossings into Gaza "creative," but added that Fayyad "doesn,t know all of the implications" of such an action.

Diskin noted that Fayyad "is closer to the way we think" than most PA officials and should be "preserved and strengthened."
He took note of the Ambassador,s suggestion that he take a closer look at the plan and implied he would do so.

Hamas looking to increase its tactical capabilities

15. (S) To emphasize the difficulties faced by Israel in its dealings with Egypt on security matters, Diskin related the story of Mansour Abu al-Ghaith, a senior Hamas activist with ties to Al Qaeda who was recently apprehended in Egypt. According to Diskin, Abu al-Gaith was traveling to Gaza to upgrade Hamas, rocket capabilities and provide training on unmanned aerial vehicle (UAV) usage. The GOI provided Egypt with all the details required to detain him, such as passport and flight information, but the GOE did not act on the information. Fortunately, Abu al-Gaith was eventually arrested by the Egyptian police in Sinai for a completely unrelated reason and "probably" without the knowledge of the Mukhabarat (Egyptian secret police). Only after intense pressure from Israel did the GOE admit that they had arrested Abu al-Gaith and only with U.S. support has Egypt continued to hold him in custody rather than releasing him.

16. (S) Hamas has total control of Gaza, said Diskin; "everything is planned." All terror attacks, such as those carried out by Al Aqsa Martyrs Brigade, Palestinian Islamic Jihad (PIJ), the Popular Resistance Committees, and Jesh as-Salam are coordinated with, if not indirectly supported by, Hamas. Responding to the Ambassador,s question about former Fatah members in Gaza switching allegiance to PIJ, Diskin noted that no "legitimate" Fatah people had done so. Those people previously aligned with Al Aqsa Martyrs, Brigade may have joined PIJ, but Diskin did not view them as true Fatah members. He also noted a decrease in internecine clashes in Gaza between Hamas and Fatah during the past two weeks, adding that "Fatah does not have the energy to carry out attacks" against Hamas.

------ -----

17. (S) The conversation turned to the effectiveness of the PA,s National Security Force (NSF) in Nablus. Diskin was "surprised" by the high marks the NSF told him USSC Lt. General Dayton had given the NSF,s performance, and opined that Dayton probably had done so more as a means of encouragement than as a true indication of the NSF,s success to date. He added that while beneficial, Lt. General Dayton,s training is "a small part of the solution." praised the job done by the Palestinian security forces against Hamas in Nablus, but noted that they are "not effective in dealing with Fatah people," often coordinating with and even hiding wanted Fatah members. Though PM Fayyad,s instructions may be clear, the performance and implementation on the ground remains poor. These, noted Diskin, are the "same old problems" within the PA, which needs to change its mindset. "They need to think proactively, not reactively," emphasized Diskin, and to "believe in larger issues, not discreet actions." He lamented the difference in mentality between Palestinian security forces and the Shin Bet, but praised Fayyad,s efforts to change the organizational culture of the PA. Diskin also commended Mahmoud Faraj, the recently-appointed head of the PA,s military intelligence branch, as someone with potential.

Visit Embassy Tel Aviv's Classified Website: http://www.state.sgov.gov/p/nea/telaviv

You can also access this site through the State Department's Classified SIPRNET website.

MORENO